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**Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

# Updated financial position of closed peacekeeping missions as at 30 June 2004

## Report of the Secretary-General*

*Summary*

The present report provides information on the updated financial position as at 30 June 2004 for 18 closed peacekeeping missions.

The 18 missions include the Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA); the United Nations Mission in Haiti (UNMIH); the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL); the United Nations Operation in Mozambique (ONUMOZ); the United Nations Operation in Somalia (UNOSOM); the United Nations Preventive Deployment Force (UNPREDEP); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (UNPF); the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group; the United Nations Transitional Authority in Cambodia (UNTAC); the United Nations Mission of Observers in Tajikistan (UNMOT); the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA); the United Nations Observer Mission in Liberia (UNOMIL); the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR); the United Nations Military

* The present report was delayed owing to internal consultations.

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Liaison Team in Cambodia (UNMLT), the United Nations Iran-Iraq Military Observer Group (UNIIMOG), the United Nations Mission in the Central African Republic (MINURCA), and the United Nations Transition Assistance Group (UNTAG).

The action to be taken by the General Assembly is set out in paragraph 10 of the present report.

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# I. Introduction

1. The present report provides updated information on the financial position of the following closed peacekeeping missions for which final performance reports have already been issued: the Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA); the United Nations Mission in Haiti (UNMIH); the United Nations Observer Group in Central America (ONUCA) and the United Nations Observer Mission in El Salvador (ONUSAL); the United Nations Operation in Mozambique (ONUMOZ); the United Nations Operation in Somalia (UNOSOM); the United Nations Preventive Deployment Force (UNPREDEP); the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (UNPF); the United Nations Support Mission in Haiti (UNSMIH), the United Nations Transition Mission in Haiti (UNTMIH) and the United Nations Civilian Police Mission in Haiti (MIPONUH); the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and the Civilian Police Support Group; the United Nations Transitional Authority in Cambodia (UNTAC); the United Nations Mission of Observers in Tajikistan (UNMOT); the United Nations Angola Verification Mission (UNAVEM) and the United Nations Observer Mission in Angola (MONUA); the United Nations Observer Mission in Liberia (UNOMIL); the United Nations Observer Mission Uganda-Rwanda (UNOMUR) and the United Nations Assistance Mission for Rwanda (UNAMIR); the United Nations Military Liaison Team in Cambodia (UNMLT); the United Nations Iran-Iraq Military Observer Group (UNIIMOG); the United Nations Mission in the Central African Republic (MINURCA); and the United Nations Transition Assistance Group (UNTAG).

2. The net cash available for credit to Member States as at 30 June 2004 amounted to $92,898,000, as set out below:

Table 1
**Consolidated cash position of UNMIH, ONUCA/ONUSAL, UNPREDEP, UNPF, UNTAES/Civilian Police Support Group, UNAVEM/MONUA, UNOMUR/UNAMIR, UNMLT, UNMOT, UNOMIL and UNIIMOG as at 30 June 2004**

(Thousands of United States dollars)

| *Category* | *Amount* |
|---|---|
| Cash assets | 248 375 |
| Less: Liabilities | 111 727 |
| Less: Amount to be returned to Member States[a] | 43 750 |
| **Cash available for credit to Member States as at 30 June 2004** | **92 898** |

[a] Amounts represent the respective share of Member States in the cash balance of UNPF and UNMIH as at 30 June 2002 that remain outstanding pending receipt of their assessed contributions for the funding of the strategic deployment stocks (General Assembly resolution 56/292 of 27 June 2002).

3. The composition of the net cash balance of $92,898,000 in the respective missions is shown in table 2 below.

Table 2
**Closed peacekeeping missions with cash balances as at 30 June 2004**
(Thousands of United States dollars)

| *Mission* | *Amount* |
|---|---|
| UNMIH | 14 216 |
| ONUCA/ONUSAL | 489 |
| UNPREDEP | 7 214 |
| UNPF | 17 437 |
| UNTAES/Civilian Police Support Group | 12 498 |
| UNAVEM/MONUA | 20 647 |
| UNOMUR/UNAMIR | 12 846 |
| UNMLT | 115 |
| UNMOT | 2 028 |
| UNOMIL | 1 161 |
| UNIIMOG | 4 247 |
| **Total** | **92 898** |

4. The amount of $92,898,000 is net of loans totalling $47.8 million owed by four peacekeeping missions ($28 million by UNMIK, $7 million by MINURSO, $9.4 million by MIPONUH and $3.4 million by MINURCA) and which remained unpaid as at 30 June 2004.

5. Seven of the 18 peacekeeping missions included in the present report reflected cash deficits totalling some $93.2 million as at 30 June 2004 due to outstanding payments of assessed contributions, as shown in table 3.

Table 3
**Closed peacekeeping missions with cash deficits as at 30 June 2004**
(Thousands of United States dollars)

| *Category* | *Amount* |
|---|---|
| Cash assets | 33 014 |
| Less: Liabilities | 126 176 |
| **Operating deficit as at 30 June 2004** | **(93 162)** |

6. The liabilities include loans amounting to $25,636,000 owed to closed peacekeeping missions ($12,816,000) and to the Peacekeeping Reserve Fund ($12,820,000). The composition of the operating deficit of $93,162,000 in the respective missions is shown in table 4 below:

Table 4
**Closed peacekeeping missions with cash deficits as at 30 June 2004**
(Thousands of United States dollars)

| *Mission* | *Amount* |
|---|---|
| MINUGUA Military Observer Group | (131) |
| ONUMOZ | (1 170) |
| UNOSOM | (18 068) |
| UNSMIH/UNTMIH/MIPONUH | (7 888) |
| UNTAC | (41 497) |
| UNTAG | (13) |
| MINURCA | (24 395) |
| **Total** | **(93 162)** |

## II. Updated cash position of peacekeeping operations

7. As at 30 June 2004 outstanding loans amounting to $49,816,000 were owed to closed peacekeeping operations, consisting of $47,816,000 owed to closed missions with cash balances and $2 million to UNTAG. Between 1 July 2004 and 28 February 2005 new loans were made to MINURSO ($2.5 million), UNMIK ($55 million), UNOMIG ($5 million) and the International Criminal Tribunal for Rwanda ($13.5 million). These loans resulted from significant cash shortages in MINURSO, UNMIK, UNOMIG and the Rwanda Tribunal owing to significant non-payment of assessments, which threatened the viability of those operations. Of the total amount of $83 million loaned to UNMIK, $68 million has been repaid. There were also short-term borrowings by the General Fund, which were repaid in full. Loans outstanding as at 28 February 2005 total $57,816,000 and it is expected that the need for these operations to borrow from closed peacekeeping missions will continue. Repayments of loans are solely dependent upon the receipt of outstanding assessed contributions. Taking into account the fact that outstanding loans have increased by $8 million since 30 June 2004, the updated cash position as at 28 February 2005 of the closed peacekeeping missions included in table 2 above is $84,898,000.

8. Additionally, in its resolution 1565 (2004) of 1 October 2004, the Security Council authorized the expansion of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC). The Security Council is also expected to authorize the establishment of a large peacekeeping operation in the Sudan in March 2005. The revised budget for MONUC and financing arrangements for the mission in the Sudan up to 30 June 2005 will be considered by the General Assembly at the first part of its resumed fifty-ninth session. The budget for the mission in the Sudan for the period from 1 July 2004 to 30 June 2005 and for the

period from 1 July 2005 to 30 June 2006 will be reviewed by the Assembly at the main part of its sixtieth session.

9. The cash available in the Peacekeeping Reserve Fund as at 28 February 2005 amounted to $134.1 million. An amount of $100 million from the Fund has been authorized under the terms of General Assembly resolution 49/233 A of 23 December 1994 by the Advisory Committee on Administrative and Budgetary Questions, consisting of $50 million pre-mandate commitment authority for the Sudan and $50 million for MONUC. Once the Security Council decides to authorize the new operation, which is expected to be deployed rapidly given the firm commitments by troop-contributors, there will be a need for immediate cash requirements before the General Assembly has completed its review and approval of the full budgets for 2004/05 and 2005/06. In the meantime, it will therefore be necessary to obtain a second commitment authority of $50 million for the Sudan, to be financed from the Peacekeeping Reserve Fund to meet some of the requirements. Once the Assembly has taken action in March for MONUC and the prospective mission in the Sudan, assessment notices would be issued in April. The start-up of the mission in the Sudan and the expansion of MONUC would total in the region of $900 million. The Peacekeeping Reserve Fund will also be the initial means of financing the expansion of MONUC and the new operation in the Sudan until assessments are collected. Experience has shown that there is a significant time lag of about 60 to 120 days between the issuance of assessments and the collection of contributions. Consequently, the available cash in the Peacekeeping Reserve Fund ($134.1 million) would be insufficient to meet all of the foreseeable cash requirements for the Sudan and the expansion of MONUC. Pending the payment of assessed contributions, the shortfall would have to be met from loans from closed peacekeeping missions.

## III. Action to be taken by the General Assembly

10. **The Secretary-General proposes that the cash balance of $92,898,000 available in 11 closed peacekeeping missions as at 30 June 2004 be retained. The Secretary-General will report to the Assembly at its sixtieth session on the matter.**